



Monthly Bulletin

Volume 8, Number 1

July, 2004

Administrative Changes at DFI

Leadership resources positioned to achieve critical objectives

Several changes to key administrative positions within the Department took place effective July 1, 2004. As previously announced, Chief Examiner, David Scott retired in June after serving 32 years with DFI and its predecessor, the State Banking Department.

Brian Yuen assumed responsibilities as Chief Examiner. Mr. Yuen had been Deputy Commissioner, Division of Examinations, Southern California Region since April 2001. His prior assignment was as a Financial Institution Manager in the San Francisco Regional Office. Mr. Yuen joined the State Banking Department in 1974 and has almost thirty years of experience.

Craig Carlson assumed a newly-defined role as Senior Deputy Commissioner. Mr. Carlson will continue to serve in his present capacity as Deputy Commissioner, Division of Examinations for the San Diego/Orange County Region, a position he has held since June 2001. As Senior Deputy Commissioner, Mr. Carlson will also spearhead DFI's strategic planning and performance review initiatives. Peter A. Van Hoecke, Strategic Support Manager will be assisting Mr. Carlson in coordinating timely completion of strategic initiatives, coordinating and refining DFI's performance measures, developing a policy infrastructure and communicating policy positions and actions. Mr. Carlson has almost thirty years of experience with DFI and the State Banking Department. His previous assignment was as a Financial Institution Manager in the San Diego Office.

John Ross was appointed Deputy Commissioner, Division of Examinations, Southern California Region. Mr. Ross joined the State Banking Department in 1986 and has served as a Financial Institutions Manager in the Los Angeles Regional Office since 1999. His prior assignment was as a Financial Institution Supervisor in the Los Angeles Office.

Executive bios are available on the DFI Web site under [Executive Profiles](#).

111 Pine Street, Suite 1100, San Francisco, CA 94111-5613
300 South Spring Street, Suite 15513, Los Angeles, CA 90013-1204
1810—13th Street, Sacramento, CA 95814
7575 Metropolitan Drive, Suite 108, San Diego, CA 92108
Consumer Compliance

(415) 263-8500
(213) 897-2085
(916) 322-5966
(619) 682-7227
(800) 622-0620

Commissioner Howard Gould stated: “I hope you will join me in extending warm congratulations to these key leaders and managers who are committed to the DFI mission to ensure the integrity and stability of California’s financial services system.”

Amendment in Policy on Stock Options

Commissioner of Financial Institutions Howard Gould has decided to affirm and amend the Department of Financial Institutions’ policy regarding stock options. The Commissioner has approved the granting of stock options to organizers of new banks to the extent allowed by the Federal Deposit Insurance Corporation.

The Commissioner plans to adopt a regulation that would exempt from the permit requirement of Financial Code Section 691 the issuance by a California state-chartered commercial bank, industrial bank, or trust company (a “bank”) of stock options to its directors, officers, employees, consultants (including attorneys and accountants), and (in the case of a newly organized bank) organizers, and the sale of shares pursuant to the exercise of stock options. The only significant requirement would be that each stock option be approved in advance by the board of directors of the bank, or be issued pursuant to a plan which has been approved by the board.

Pending adoption of the regulation, any bank may apply to the Commissioner for an order granting it an exemption from the permit requirement for stock options. Such an application should be in the form of a letter addressed to the Legal Division at the Department’s San Francisco office, 111 Pine Street, #1100, San Francisco, CA 94111-5613. The application letter may state simply that the bank is applying for an order of exemption for stock options. No supporting information or documents need be furnished, and no fee will be charged.

Waiver Needed to Exceed Aggregate MBL Limits to Non-Members

Financial Code Section 30.803 permits state-chartered credit unions to grant business loans in accordance with Section 723 of the NCUA rules and regulations. This regulation generally permits federally-insured credit unions to make member business loans (“MBLs”) or hold non-member business loans to the extent that the aggregate of all loans in this category do not exceed the lesser of 1.75 times the credit union’s net worth or 12.25% of total assets, unless a waiver has been approved.

The NCUA revised the Member Business Loan Regulations last year. The changes became effective October 31, 2003. One such amendment, to Section 723.16(b), permits a federally-insured credit union to own member business loans and non-member participation loans in excess of the prescribed regulatory limitations if the credit union has been granted a waiver by DFI and NCUA.

In order to apply for a waiver, federally insured state-chartered credit unions must file an application with DFI for a waiver. The application must be filed in duplicate and shall include the following:

- 1) Current copy of the credit union's member business loan policies
- 2) Confirmation that the credit union is in compliance with all other aspects of rule 723
- 3) A proposed limit for the total amount of non-member loans or participation interests the credit union may acquire if the application is granted
- 4) Attestation that the acquisition of non-member loans and participations is not being used, in conjunction with one or more other credit unions, to have the effect of trading member business loans that would otherwise exceed the aggregate limit

DFI reserves the right to request additional information with regard to such an application as is deemed necessary.

Approval of your request is a two stage process. If your request is approved by DFI, our recommendation for approval and a copy of your application will be forwarded to the NCUA for approval by that agency.

Money Transmitter Regulators Association Tenth Annual Conference

The Money Transmitter Regulators Association ("MTRA") Annual Conference is scheduled for September 13-15 in Denver, Colorado. MTRA is an organization of state regulators whose mission is to foster cooperation among states and federal agencies for the effective and efficient regulation of money transmitters, and sellers of payment instruments and travelers checks. All of our licensees are strongly encouraged to attend this 3-day conference to get up to date information on the latest industry trends, compliance with federal and state anti-money laundering laws (such as the Bank Secrecy Act and Patriot Act), and to meet and greet both state and federal regulators as well as your peers in the industry. For a complete program agenda and more information about how to register for the conference, please go to the MTRA web site at <http://www.mtraweb.org/annmtg.shtm>.

Commercial Bank Activity

New Bank

Bay Commercial Bank
1280 Civic Drive, Suite 100, Walnut Creek, Contra Costa County
(925) 476-1800
Web site: www.baycommercialbank.com
Officers: George Guarini, President and Chief Executive Officer
Keary Colwell, Chief Financial Officer
Brian Bray, Chief Credit Officer
Capitalization: 15,400,000
Opened: 7/20/04

New Bank (Continued)

California United Bank
15821 Ventura Boulevard, Suite 100, Encino, Los Angeles County
Correspondent: Grace Wickersham
Carpenter & Company
5 Park Plaza, Suite 950
Irvine, CA 92614
(949) 261-8888
Filed: 7/26/04

Charter Oak Bank
1739 Trancas Street, Napa, Napa County, CA 94558
Correspondent: Grace Wickersham
Carpenter & Company
Five Park Plaza, Suite 950
Irvine, CA 92614-8527
(949) 261-8888
Approved: 7/21/04

Commonwealth Business Bank
5055 Wilshire Boulevard, Los Angeles, Los Angeles County
Correspondent: Grace Wickersham
Carpenter & Company
5 Park Plaza, Suite 950
Irvine, CA 92614
Filed: 6/10/04

First General Bank
1744 South Nogales Street, Rowland Heights, Los Angeles County
Correspondent: Gary Steven Findley. Esq.
Gary Steven Findley & Associates
1470 North Hundley Street
Anaheim, CA 92806
(714) 630-7910
Filed: 7/7/04

MetroPacific Bank
In the vicinity of Von Karman and Martin, Irvine, Orange County
Correspondent: Robert B. Hildt
4540 Campus Drive, Suite 148
Newport Beach, CA 92660
(714) 253-7807
Filed: 7/9/04

New Bank (Continued)

Mother Lode Bank

172 West Stockton Road, Sonora, Tuolumne County

(209) 694-8400

Web site: www.motherlodebank.com

Officers: A. Peter Johnson, President and Chief Executive Officer

Craig E. Sandall, Chief Credit Officer

Laurie E. Mitchum, Chief Financial Officer

Capitalization: \$9,625,000.00

Opened: 7/30/04

Ojai Community Bank

402 West Ojai Avenue, Ojai, Ventura County

Correspondent: James H. Avery

James H. Avery Company

PO Box 3009

San Luis Obispo, CA 93403

Phone: (805) 544-5477

Approved: 7/21/04

Merger

Bank of Orange County, Orange, with and into Placer Sierra Bank, Auburn

Effected: 7/23/04

Community First National Bank, Fargo, North Dakota, with and into Bank of the West, San Francisco

Approved: 7/1/04

Humboldt Bank, Eureka, with and into Umpqua Bank, Roseburg, Oregon

Effected: 7/10/04

Trust Bank, Monterey Park, a federal savings association, with and into East-West Bank, San Marino

Approved: 7/27/04

Union Safe Deposit Bank, Stockton, California, with and into Bank of the West, San Francisco

Filed: 7/22/04

Acquisition of Control

Banco Bilbao Vizcaya Argentaria, S.A., BBVA International Investment Corporation, Grupo Financiero BBVA Bancomer, S.A. de C.V., BBVA Bancomer, S.A., Institucion de Banca Multiple Grupo Financiero BBVA Bancomer, and BBVA Bancomer Financial Holdings, Inc. to acquire control of Valley Bank (Name will be changed to BBVA Bancomer Bank), Moreno Valley

Filed: 7/7/04

Acquisition of Control (Continued)

BancWest Corporation, Honolulu, Hawaii, and BNP Paribas, Paris, France, to acquire control of Union Safe Deposit Bank, Stockton

Approved: 7/6/04

North Valley Bancorp, Redding to acquire control of Yolo Community Bank, Woodland

Approved: 7/7/04

Premium Finance Company Activity**New Premium Finance Company**

California Premium Financing, Inc.

2501 East Chapman Avenue, Suite 100, Fullerton, Orange County

Correspondent: Carol Manson

Automated Installment Systems

955 Executive Parkway, #201

St. Louis, MO 63141

(800) 624-6308

Filed: 6/30/04

Colonial Premium Financing, Inc.

13750 Pipeline Avenue, Chino, San Bernardino County

Correspondent: James Walski

13750 Pipeline Ave

Chino, CA 91710

(909) 591-6497

Filed: 7/13/04

Approved: 7/29/04

Express Premium Finance Corporation

23441 South Point Drive, Suite 220, Laguna Hills, Orange County

Officer: Matthew C. Price, President

Opened: 7/6/04

First Solutions Financial Services, Inc.

955 Grand Street, Carlsbad, San Diego County

Officer: Charles Reed, President

Opened: 7/13/04

Oasis Financial Services, Inc.

2501 East Chapman Avenue, Suite 100, Fullerton, Orange County

(800) 624-6308

Officer: Stephanie Fanelli

Opened: 6/30/04

New Premium Finance Company (Continued)

Pacific Alliance Premium Finance, Inc.
2501 East Chapman Avenue, Suite 100, Fullerton, Orange County
Officer: Janice M. Sirkin
Opened: 7/13/04

Change of Name

Commonwealth Premium Financing, Inc. (In Organization) to ClassicPlan Premium Financing, Inc. (In Organization)
Effected: 7/7/04

Credit Union Activity**Conversion to State Charter**

Courts & Records Federal Credit Union, Pasadena
Withdrawn: 7/14/04

Merger

Verizon Employees Federal Credit Union, Los Alamitos, into Orange County's Credit Union, Santa Ana
Effected: 6/30/04

Field of Membership

Nine credit unions received approvals to add 28 new fields of membership during June 2004.

Bylaw Amendments

One credit unions received approval for two bylaw amendments during June 2004.

Amendment of Articles of Incorporation

One credit union received approval for one amendment of articles of incorporation during June 2004.

Transmitter of Money Abroad Activity**Acquisition of Control**

RII Holding, Inc. to acquire control of Ruesch International, Inc.
Filed: 7/23/04

Payment Instrument Activity

New Payment Instrument

Navicert Financial Inc.
17019 Kingsview Avenue
Carson, CA 90746
Opened: 7/21/04

HOWARD GOULD

Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code, Section 258



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